

SENATE, No. 2692

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JULY 14, 2020

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Appropriates \$125 million to EDA from federal funds for small- and medium-sized business and nonprofit assistance.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT allocating federal funding for small- and medium-sized
2 business and nonprofit assistance, and making an appropriation.

3
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6
7 1. a. There is appropriated from the General Fund to the New
8 Jersey Economic Development Authority the sum of \$125,000,000
9 from a portion of those federal block grant funds allocated to the
10 State from the federal "Coronavirus Relief Fund," established
11 pursuant to the federal "Coronavirus Aid, Relief, and Economic
12 Security Act," Pub.L.116-136, for use by the authority to provide
13 financial support, such as loans or grants, to small- and medium-
14 sized businesses and nonprofit entities for the costs associated with
15 operational interruptions caused by any State-required closures and
16 mitigation requirements imposed due to the impacts of the COVID-
17 19 pandemic. Of the monies appropriated pursuant to this section,
18 the authority shall allocate at least \$25,000,000 to providing
19 financial support to targeted small- and medium-sized businesses.

20 b. If the federal government allocates additional federal block
21 grant funds to the State to provide for the State's response to the
22 COVID-19 pandemic, the Legislature finds and declares that it is
23 the policy of the State that not less than 20 percent of such federal
24 block grant funds that are not encumbered to be used for other
25 specified purposes should be appropriated to the authority to
26 provide financial support to small- and medium-sized businesses
27 and nonprofit entities.

28 c. As used in this section:

29 "Authority" means the New Jersey Economic Development
30 Authority, established pursuant to section 4 of P.L.1974, c.80
31 (C.34:1B-4).

32 "COVID-19" means the SARS-CoV-2 novel coronavirus.

33 "COVID-19 pandemic" means the outbreak of COVID-19
34 throughout the world, recognized as a pandemic by the World
35 Health Organization on March 11, 2020.

36 "Small- and medium-sized businesses and nonprofit entities"
37 includes any business enterprise or nonprofit entity, which has its
38 principal place of business or operations in this State, and that is
39 defined by the authority as a small- or medium-sized business or
40 nonprofit entity.

41 "Targeted small- and medium-sized business" means a business
42 that qualifies, under criteria established by the authority, as a small-
43 or medium-sized woman-owned, minority-owned, or veteran-owned
44 New Jersey-based business or nonprofit entity.

45
46 2. This act shall take effect immediately.

1 STATEMENT

2

3 This bill makes a \$125 million appropriation to the New Jersey
4 Economic Development Authority (EDA) from a portion of those
5 federal block grant funds allocated to the State from the federal
6 “Coronavirus Relief Fund,” established pursuant to the federal
7 “Coronavirus Aid, Relief, and Economic Security (CARES) Act,”
8 Pub.L.116-136, for use by the EDA to provide financial support,
9 such as loans or grants, to small- and medium-sized businesses and
10 nonprofit entities for the costs associated with operational
11 interruptions caused by any State-required closures and mitigation
12 requirements imposed due to the impacts of the COVID-19
13 pandemic. The bill requires the EDA to allocate at least \$25
14 million to provide financial support to targeted small- and medium-
15 sized businesses, including woman-owned, minority-owned, and
16 veteran-owned New Jersey-based businesses and nonprofit entities.

17 Additionally, the bill declares that it is the policy of the State
18 that if the federal government allocates additional federal block
19 grant funds to the State to provide for the State’s response to the
20 COVID-19 pandemic, that not less than 20 percent of those federal
21 block grant funds that are not encumbered to be used for other
22 specified purposes should be appropriated to the EDA to provide
23 financial support to small- and medium-sized businesses and
24 nonprofit entities.